



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 - (217) 782-3397
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 - (312) 814-6026

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-1654

FEB 19 2009

U. S. Environmental Protection Agency
Region 5
Attn: Acquisition and Assistance Branch, MC-10J
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Re: FY2009 American Recovery & Reinvestment Act
Drinking Water Loan Program Capitalization Grant Application

Dear Sir or Madam:

Enclosed please find our application for American Recovery and Reinvestment Act funding for our Drinking Water State Revolving Fund Loan Program. The application is for \$79,538,000 in federal funds.

We are in the process of finalizing our Intended Use Plan for this funding and will forward it separately.

If you should have any questions or require additional information regarding the grant application, please contact Rosie Kellus at 217/782-1654.

Sincerely,

Marcia T. Willhite
Chief
Bureau of Water

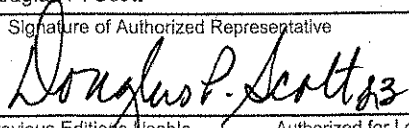
Enclosure

cc: Debbie Baltazar, WS-15J
Andrew Lausted, WS-15J

Bcc: Roger Vollbarcht
Geoff Andres
Willa Barger
Rosie Kellus

J:\docs:rosie:grantapp\letters:DWARRA

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED FEB 19 2009		Applicant Identifier DUNS #807 648 654	
1. TYPE OF SUBMISSION:		3. DATE RECEIVED BY STATE	
Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		Preapplication <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	
5. APPLICANT INFORMATION		4. DATE RECEIVED BY FEDERAL AGENCY	
Legal Name IL. ENVIRONMENTAL PROTECTION AGENCY		State Application Identifier NOT YET ASSIGNED	
Address (give city, county, state and zip code) 1021 NORTH GRAND EAST P.O. BOX 19276 SPRINGFIELD IL 62794-9276		Federal Identifier NOT YET ASSIGNED	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 37-6002057		Organizational Unit BUREAU OF WATER	
8. TYPE OF APPLICATION <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other - specify:		7. TYPE OF APPLICANT: (enter appropriate letter in box) A A. State H. Independent School District B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other - Specify:	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NO.: 66.468		9. NAME OF FEDERAL AGENCY U.S. ENVIRONMENTAL PROTECTION AGENCY	
TITLE: Capitalization Grant for the Drinking Water Revolving Loan Program		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: American Recovery & Reinvestment Act Capitalization Grant for the Drinking Water Loan Program	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.) STATEWIDE			
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICT OF:	
Start Date 10/1/2008	Ending Date 12/31/2013	a. Applicant 18TH	b. Project STATEWIDE
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? (check one)	
a. Federal 79,538,000.00	b. Applicant	a. <input checked="" type="checkbox"/> YES - THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW.	
c. State 0.00	d. Local	IF YES, PROVIDE DATE OF REVIEW: FEB 19 2009	
e. Other	f. Program Income	b. <input type="checkbox"/> NO - PROGRAM IS NOT COVERED BY EO 12372	
g. TOTAL \$79,538,000.00		<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? (check one)	
		<input type="checkbox"/> YES (If "YES," attach explanation) <input checked="" type="checkbox"/> NO	
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.			
a. Typed Name of Authorized Representative Douglas P. Scott		b. Title DIRECTOR	c. Telephone Number (217) 782-3397
d. Signature of Authorized Representative 		e. Date Signed 2/19/09	

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

Section A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. DWSRF	66.468			\$79,538,000.00	\$0.00	\$79,538,000.00
2.						\$0.00
3.						\$0.00
4.						\$0.00
5. TOTALS		\$0.00	\$0.00	\$79,538,000.00	\$0.00	\$79,538,000.00
Section B - BUDGET CATEGORIES						
Object Class Categories		GRANT PROGRAM, FUNCTION, OR ACTIVITY				Total
		(1)	(2)	(3)	(4)	(5)
a. Personnel						\$0.00
b. Fringe Benefits						\$0.00
c. Travel						\$0.00
d. Equipment						\$0.00
e. Supplies						\$0.00
f. Contractual						\$0.00
g. Construction						\$0.00
h. Other: Capitalization Grant		\$79,538,000.00				\$79,538,000.00
i. Total Direct Charges (sum of 6a - 6h)						\$79,538,000.00
j. Indirect Charges						\$0.00
k. TOTALS (sum of 6i and 6j)						\$79,538,000.00
7. Program Income						\$0.00

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Standard Form 424-A (4/88)
Prescribed by OMB Circular A-102

Section C - BUDGET SUMMARY					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. DRINKING WATER SRF	66.468	\$0.00	\$0.00		\$0.00
9.					\$0.00
10.					\$0.00
11.					\$0.00
12.	TOTAL (sum of lines 8 through 11)	\$0.00	\$0.00	\$0.00	\$0.00
Section D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$79,538,000.00	\$0.00	\$10,000,000.00	\$40,000,000.00	\$29,538,000.00
14. Non-Federal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15. TOTAL (sum of lines 13 and 14)	\$79,538,000.00	\$0.00	\$10,000,000.00	\$40,000,000.00	\$29,538,000.00
Section E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
FUTURE FUNDING PERIODS (YEARS)					
(a) Grant Program	(a) First	(b) Second	(c) Third	(d) Fourth	
0	\$0.00	\$0.00	\$0.00	\$0.00	
17.					
18.					
19.					
20.	TOTAL (sum of lines 16-19)	\$0.00	\$0.00	\$0.00	\$0.00
Section F - OTHER BUDGET INFORMATION (Attach additional sheets if necessary)					
21. Direct Charges:	\$0.00	22. Indirect Charges: \$0.00			
23. Remarks:	Personal Services	\$0.00			
	Fringes	\$0.00			
		\$0.00			

State of Illinois
Public Water Supply Loan Program
Supplemental Intended Use Plan Pursuant to the
American Recovery and Reinvestment Act of 2009
Final Intended Use Plan

A. Introduction

The purpose of this Intended Use Plan (IUP) is to fulfill the requirements of Section 1452(b) of the federal Safe Drinking Water Act of 1996 (SDWA) and the American Recovery and Reinvestment Act of 2009 (ARRA) as a prerequisite for award of a federal grant to the Illinois Environmental Protection Agency (Agency) for capitalization of the State Revolving Fund from funds provided under the ARRA for use in the Public Water Supply Loan Program (PWSLP).

The required contents of an IUP are as follows:

- 1) A list of the projects proposed for construction on the State Priority List, including a description of the project, the expected terms of financial assistance, and the size of the community served;
- 2) The criteria and methods established for the distribution of funds; and
- 3) A description of the financial status of State loan funds and the short term and long term goals associated with ARRA funding, existing loan funds and the PWSLP.

In addition, the ARRA provides that “notwithstanding the priority they would otherwise receive.....priority for funds appropriated...shall be given to projects on a State priority list that are ready to proceed to construction within 12 months of the date of enactment of this Act.” In practice, projects on the State Priority List will be further and primarily prioritized based on readiness to proceed to construction, with factors influencing the Green Project Reserve and the provisions included in Section 1452 (b) (3) of the SDWA considered to the maximum extent practicable.

B. Long Term Goals (5-Year Timeframe)

1. To provide a stable and perpetual financing source for eligible public water supply systems within the State;
2. To provide this financial assistance at interest rates significantly below those available on the open market;
3. To utilize the Fund as a major financial vehicle for bringing qualifying public water supplies into compliance with the requirements of the SDWA and the Illinois Environmental Protection Act, and thereafter as a vehicle for maintaining compliance;

4. To explore the expansion of eligibility to address issues of water efficiency, energy efficiency and green infrastructure and to develop new eligibility requirements to accommodate expanded eligibilities in the base SRF program; and
5. To contribute to the long-term recovery of the economy by creating and preserving sustainable jobs in communities across the state.

C. Short Term Goals (ARRA/FY2009)

1. To provide funding to all eligible projects, to the extent that applications are completed and funds are available;
2. To commit all available loan resources to eligible loan applicants;
3. To provide total additional loan subsidization to loan recipients in an amount not less than 50% of total supplemental funds provided under the ARRA;
4. To provide support for projects or project components focused on “green infrastructure, water or energy efficiency improvements or other environmentally innovative activities”, and to commit not less than 20% of supplemental funds provided under the ARRA to projects meeting the definitions developed there under; and
5. To manage a program that provides applicants with a streamlined approach to financing public water supply projects, consistent with time constraints imposed for the use of ARRA funds.
6. To provide funding to projects that will maximize job creation and economic benefit in communities across Illinois.

D. Program Characteristics

1. Public Water Supply Loan Program – The Illinois program will continue to consist of loans to units of local government and to those classes of privately owned community water supplies determined by the Illinois General Assembly to be acting as water utilities. These include not-for-profit and co-operative water utilities, and commercial water utilities regulated by the Illinois Commerce Commission.

Monies available through supplemental appropriations provided under the ARRA will be managed separately as a “program within a program” under emergency rules established to govern the distribution of those funds. Loan recipients shall repay loans provided at a fixed loan rate of 0.0%, and 50% of the principal disbursed under the respective loan agreements will be forgiven, pursuant to additional subsidization requirements contained in the ARRA. The funding provided under the ARRA to any single entity will be limited to 50% of eligible project costs, or \$5,000,000, whichever is less.

Available PWSLP loan funds for FY2009 will be utilized in conjunction with loans provided under the ARRA to provide additional financing opportunities, subject to the

availability of funds, for projects limited by funding eligibility caps established for ARRA program funds. These existing loan funds will be directed to ARRA projects for costs over and above ARRA cap levels: (50% of costs up to \$5,000,000). Loan recipients shall repay PWSLP loans committed separate from, or in conjunction with, an ARRA loan agreement at a fixed loan rate of 0.0% until such time as supplemental funds provided under the ARRA are exhausted. The IEPA intends to commit all ARRA funding by September 30, 2009 and expects a transition back to standard interest rates in the FY 2010 program. There will be no midstream interest rate adjustments in the ARRA/PWSLP program.

Loan awards have a maximum term of 20 years from the initiation of operation, with initial repayments of principal to commence within one year of the initiation of operation as determined by the terms of each Loan Agreement.

2. Leveraged Bond Proceeds – The resources of the PWSLP may be utilized as security for the sale of bonds, the proceeds of which would be deposited into the Fund to supplement State and federal capitalization funds and repayment funds, or to serve as the source for State matching funds for federal capitalization grants in future years.

E. Assurance of Specific Proposals

Pursuant to Section 1452 of the Safe Drinking Water Act (SDWA) Amendments of 1996, the IEPA has provided the necessary assurances and certifications as part of the official Operating Agreement between the IEPA and USEPA and as part of the FY 2009 Intended Use Plan.

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the IEPA provides additional certification as follows:

1. The IEPA will enter into binding commitments equal to 100% of the amount of funds provided under the ARRA within one year of the date of enactment of the ARRA (February 17, 2010). Binding commitments will be executed at such times as to assure that projects funded are under contract or construction within 12 months from the date of enactment of the ARRA (February 17, 2010).
2. The IEPA will utilize not less than 50% of supplemental funds provided under the ARRA to provide additional loan subsidization, in the form of principal forgiveness terms, to loan recipients and hereby certifies that State legislation passed by the Illinois General Assembly on April 28, 2009 (Public Act 96-8), in conjunction with emergency administrative rules filed by the IEPA and effective on June 2, 2009 (35 IAC, Part 664), will provide adequate authority to execute such principal forgiveness terms within a timeframe adequate to implement the terms of assistance under the WPCLP.
3. To the extent that there are sufficient eligible applications, the IEPA will utilize not less than 20% of supplemental funds provided under the ARRA for the “Green Project Reserve” as required by the Act, and will provide binding loan commitments to projects or project components focused on “green infrastructure,

water or energy efficiency improvements or other environmentally innovative activities” under definitions developed for this purpose by the USEPA. The IEPA is currently evaluating projects on the State Priority List (Attachment A) and other projects that may gain eligibility for inclusion on the State Priority List to determine which ones qualify, in whole or in part, to be included in the Green Project Reserve. This includes the evaluation of stand-alone applications that have been received to determine eligibility. If the 20% reserve cannot be accommodated by eligible applications received, the IEPA will continue to solicit additional applications, as necessary, until the 20% target for the Green Project Reserve is met.

4. The IEPA will comply with all statutory requirements of the ARRA and with requirements promulgated through guidance or regulations issued by the USEPA, including wage requirements and procurement requirements specifying the use of goods produced in the United States for infrastructure projects financed through the ARRA.
5. The IEPA will expend all monies available under the ARRA and PWSLP in an expeditious and timely manner.

F. Criteria and Method for Distribution of Funds

1. Financial Assistance Limitation – Under emergency rules established to govern the distribution of ARRA funding amounts, the State of Illinois will restrict the amount of ARRA financial assistance provided to any single entity to a maximum of 50% of eligible project costs, or \$5,000,000, whichever is less. This regulation reflects the intent of the State to fund as many worthwhile projects as practicable from the limited available resources.

Notwithstanding financial assistance limitations imposed under ARRA regulations, project costs above those limitations will be eligible for assistance under the existing PWSLP as funds are available. In those instances where total project needs exceed the limitation, applicants will be encouraged to break a project into multiple segments for phased loan assistance, constructing first those project elements most significant in attaining or maintaining compliance objectives.

2. State Priority List Development - The State Priority List (Attachment A) identifying eligible applicants for assistance under this Intended Use Plan and the ARRA is submitted as a component of this IUP. The List is based on and includes all projects that appear on the previously established FY2009 Project Priority List (PPL), plus any project with approved project planning that was added to the FY2009 PPL pursuant to State rules. All projects currently appearing on the State Priority List have been ranked and scored in accordance with the provisions of 35 Illinois Administrative Code Part 663, “Procedures and Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program”.

The State Priority List is heavily weighted to rank projects in order of their relative public health significance based on violations of state public health criteria and the federal Safe Drinking Water Act. The primary factor for prioritizing projects is the "A2", or Project Need factor that awards points for known and specific compliance needs. Other major factors considered in the scoring process include the existence of potential public health threats from existing violations of State standards related to pressure, transmission, and storage, and needs associated with the extension of water service to rural areas served by defective private wells. A variety of income and population demographic data are then employed to further differentiate projects within the major compliance needs categories. At the bottom of the list are those projects which do not correct existing compliance or public health problems but are still necessary and desirable to maintain an adequate and safe public water supply.

3. A subset of the State Priority List (Attachment A) is incorporated as the "IUP List" (Attachment B) for purposes of this Intended Use Plan. Projects included on the IUP List are simply those that have the highest priority rank relative to other projects within the limits of available funds and currently qualifying pre-applications. In accordance with the provisions of 35 Illinois Administrative Code Part 662, "Procedures for Issuing Loans from the Public Water Supply Loan Program", and the emergency rules established to govern the implementation of ARRA programs in Illinois (35 IAC, Part 664), loan funds will not be reserved for projects included on the State Priority List (Attachment A) or the IUP List (Attachment B) after April 1, 2009 until they are ready to proceed to construction based on the completion of all applicable loan applicant elements. Funds may be awarded to any project on the State Priority List that accomplishes a full and complete loan application, and projects will be funded in the order in which applications are completed, with factors influencing the Green Project Reserve and provisions included in Section 1452(b)(3) of the SDWA considered to the maximum extent practicable in cases where funding availability may be limited. The IEPA reserves the right to bypass eligible projects as required to meet the 20% Green Project Reserve requirement as set forth in federal law.
4. Per State rule (35 IAC, Part 663) projects may be added to the State Priority List at any time during the year upon obtaining Agency approval of its Project Plan, provided a pre-application was submitted for the project on or before April 2, 2009 that indicates a construction start date in calendar year 2009. Eligible projects with approved Project Plans will be scored and ranked for priority and added to the State Priority List (Attachment A) from time to time, with up-to-date copies of the priority list posted to the IEPA website at: <http://www.epa.state.il.us/water/financial-assistance/economic-stimulus/index.html> and available upon request throughout the year. These belated additions will be eligible for assistance under the ARRA and the PWSLP and funds may be awarded to any project on the State Priority List that accomplishes a full and complete loan application, subject to the availability of funds. Factors influencing the Green Project Reserve and provisions included in Section 1452(b)(3) of the SDWA will be considered to the maximum extent practicable in cases where funding availability may be limited. The IEPA

reserves the right to bypass eligible projects as required to meet the 20% Green Project Reserve requirement as set forth in federal law.

5. The IEPA's "PWSLP ARRA Comprehensive State Funding List" is included for informational purposes as Attachment C to this IUP. The Comprehensive State Funding List was developed on the basis of pre-applications submitted to the Agency prior to April 2, 2009 and as such represents a listing of those entities that have overtly identified themselves as being potential loan applicants for ARRA and Public Water Supply funds in federal fiscal years 2009 and 2010. It is important to note that projects included on the Comprehensive List will not be eligible for ARRA or PWSLP funding until such time as they have achieved Project Plan approval and have been scored and ranked for priority in accordance with the requirements of those programs. At that time they will be added to the State Priority List (Attachment A), with all projects securing funding drawn from the State Priority List upon completion of all loan application elements.
6. Set-Asides – The Agency plans no use of elective set-asides in the 12-month period designated for loan activity pursuant to the ARRA. However, in a guidance memorandum dated February 9, 1999, USEPA announced that states have an option of "banking" certain set-asides for possible use in future years by announcing that possibility in the IUP. This "banking" does not impact the availability or use of loan funds in the current year, but does give the State the flexibility to utilize set-aside funds for other eligible purposes for the present and past fiscal years (FY1997-2009). In accordance with this federal policy identified above, the Agency is hereby announcing that it reserves the right to "bank" and utilize to the maximum extent deemed necessary the full amount of authorized ARRA set-asides for the purposes outlined in Section 1452(g)(2) of the Safe Drinking Water Act, including 4% of the capitalization grant for direct loan program administration and 2% of the capitalization grant for small systems technical assistance). The extent to which this reserved authority may or may not be used by the State shall be at the discretion of the IEPA.
7. Letters of Commitment – When an application for loan assistance is completed to the satisfaction of the IEPA, the IEPA may issue a Letter of Commitment to reserve existing or anticipated available funds for a project pending completion of the bidding process by the loan applicant. Letters of Commitment for projects funded from the State Priority List pursuant to the ARRA shall not extend beyond February 2, 2010.
8. Binding Commitments – Binding commitments for loan awards are entered into at the time a loan applicant accepts a loan offer and issues a Notice to Proceed on a construction contract identified in the Loan Agreement. Binding commitments for projects equal to 100% of the ARRA funds provided will be made in such a way as to assure that all projects funded are either under contract or have initiated construction prior to February 17, 2010.

G. Available Loan Resources

The American Recovery and Reinvestment Act of 2009 (ARRA) contains a supplemental appropriation of \$2.0 billion in federal funds as the national allocation for the Drinking Water State Revolving Fund (DWSRF). The State of Illinois share of that amount based on the allocation formula applied by Congress is \$79,538,000. The standard 20% State match requirement for the DWSRF is waived by the ARRA, making the total of new capitalization funds available the State's funding share of \$79,538,000.

In addition, the IEPA will target funds available for FY2009 under the existing PWSLP program to provide additional funding opportunities for projects limited in FY 2009 by funding caps established for the purpose of managing project demand under the ARRA. These available funds include prospective capitalization grant funding for FY2009, loan program repayments and funds carried over as uncommitted from the FY2008 PWSLP funding period. A summary of total available funding is as follows:

Anticipated Funds Available for ARRA Projects

FY2008 Carry-Over Funds	\$30,932,892
FY2009 Capitalization Funds*	\$33,226,000
FY2009 State Match*	\$ 6,645,200
FY2009 Loan Repayments	\$20,000,000
Less 4%: FY2009 Administration	(\$1,329,040)
Less 5%: For Cost Increases on Subtotal	(\$4,473,752)
SUBTOTAL	\$85,001,300
ARRA Capitalization Funds	<u>\$79,538,000</u>
TOTAL	\$164,539,300

*Prospective

The demand for loan funds from supplemental funds provided under the ARRA will exceed the capitalization funds available and the IEPA will establish restrictions on the amount of ARRA financial assistance available to any single entity: a maximum of 50% of eligible project costs, or \$5,000,000, whichever is less. This restriction reflects the intent of the State to fund as many worthwhile projects as practicable from the limited available resources. In those instances where total project needs exceed the limitation, applicants will be encouraged to break a project into multiple segments for phased loan assistance, constructing first those project elements most significant in attaining or maintaining compliance objectives.

All available PWSLP loan funds for FY2009 will be utilized in conjunction with loans provided under the ARRA to provide additional financing opportunities, subject to the availability of funds, for projects limited by the funding eligibility caps established for ARRA program funds. Loan recipients shall repay PWSLP loans committed separate from, or in conjunction with, an ARRA loan agreement at a fixed loan rate of 0.0% until such time as supplemental funds provided under the ARRA are exhausted. The total of PWSLP loan funds available for FY2009 was \$50,932,892 effective October 1, 2008. In addition, the IEPA expects to access available capitalization funds totaling \$33,226,000

for FY2009 prior to the end of the fiscal year, providing an additional \$39,871,200 (includes state match) for loans and loan program administration in FY2009 and future years. An application for those capitalization funds will be submitted following the approval of state bond authorization increases and state matching fund appropriations required to access those funds. That approval is widely anticipated for July 13, 2009. The IEPA intends to commit all ARRA funding by September 30, 2009 and expects a transition back to standard interest rates in the FY 2010 program. There will be no midstream interest rate adjustments in the ARRA/PWSLP program.

H. Output/Outcome Measures

In accordance with the requirements of EPA Order 5700.7, the following are the output/outcome measures for ARRA funds:

1. Output: There will be 8 to 10 projects financed to replace and/or rehabilitate drinking water treatment facilities throughout the State.

Outcome: The funding of these projects will stimulate the economy, promote jobs growth for new and sustainable jobs, and result in higher quality drinking water for thousands of people throughout the State.

2. Output: There will be 15 to 20 projects financed to construct/rehabilitate/upgrade drinking water transmission and distribution systems throughout the State.

Outcome: The funding of these projects will stimulate the economy, promote jobs growth for new and sustainable jobs and result in improved access to drinking water from existing water treatment systems throughout the State.

3. Output: There will be 10 to 12 projects financed to construct/rehabilitate/upgrade drinking water storage facilities throughout the State.

Outcome: The funding of these projects will stimulate the economy, promote jobs growth for new and sustainable jobs and result in improved access to drinking water, better distribution system pressures and improved aesthetics for communities and people around the State.

4. Output: There will be 3 to 6 projects financed to provide new/additional source water for public water supplies throughout the State.

Outcome: The funding of these projects will stimulate the economy, promote jobs growth for new and sustainable jobs and result in improved community access to public water supplies meeting all applicable permit and SDWA requirements.

I. Reporting Requirements

The IEPA will provide the USEPA on an annual basis with information on units of local government that receive loans in accordance with SDWA requirements. In addition, the IEPA will report the data required by the USEPA into the DWSRF benefits reporting system for each ARRA project.

J. Administrative Costs

As noted previously, 4% of the capitalization grant amount from supplemental funds provided under the ARRA will be reserved or “banked” for program administration costs that may occur in future years.

K. Public Review and Comment on the Intended Use Plan

The IEPA has sought public participation in the development of ARRA program plans from the moment it was clear that Congress would pass some form of economic stimulus package during the 2009 session. Agency technical and financial assistance personnel have spoken on the provisions of the ARRA and the State’s intent to implement emergency rules and ARRA procedures at a variety of statewide and local conferences involving local government leaders and public water supply administrators, and have invited suggestions from the public. Representatives of professional, governmental, and trade associations involved in public water supplies in Illinois have been very instrumental in formulating proposed State policies regarding this loan assistance program.

This Intended Use Plan and the accompanying State Priority List, IUP List and PWSLP ARRA Comprehensive State Funding List were made available on April 6, 2009 on the IEPA website for public comment through a public notification process, followed by a 21 day comment period. The IEPA website can be accessed through the following link:

<http://www.epa.state.il.us/water/financial-assistance/economic-stimulus/index.html>

List of Attachments

- Attachment A – State Priority List in Rank Order for ARRA/PWSLP projects
- Attachment B – IUP List in Rank Order for ARRA/PWSLP projects
- Attachment C - PWSLP ARRA Comprehensive State Funding List in Alpha Order
- Attachment D - Glossary of Terms for ARRA/PWSLP State Priority List

Attachment D

Glossary of Terms for ARRA/PWSLP State Priority List

The public water supply loans are intended to solve existing drinking water needs. There are several general types of projects that appear on the State Funding List:

- Compliance projects to correct a drinking water quality problem, including projects that address Maximum Contaminant Level violations, projects that address Treatment Technique Requirements, projects that address violations of the Agency's Technical Policies, 35 Ill. Adm. Code Part 653, as they relate to adequate pressure, transmission and storage of drinking water.
- Projects that provide drinking water service to an existing population that has no community water service;
- Projects that satisfy existing drinking water needs and serve existing populations. They include water treatment plant renovation, rehabilitation, replacement and upgrade of facilities. Additionally, this category includes the rehabilitation or replacement of watermains, construction of loop lines, addition or rehabilitation of storage or distribution capacity to ensure adequate storage volumes and system pressure.

Glossary of Drinking Water Standard Abbreviations

- WTP - Water Treatment Plant
- PS - Pump Station
- Ext - Extension
- Rehab - Rehabilitation
- Exp - Expansion
- Ba - Barium
- Fe - Iron
- NO3 - Nitrate
- Ra - Radium
- TTHM - Total Trihalomethane
- Twp - Township
- TP - Technical Policies
- PbCu - Lead and Copper
- TT - Treatment Technique
- As - Arsenic

ATTACHMENT A

DATE: 03/31/2009
TIME: 13:56:25
REPORT: VS_SP09

Illinois Environmental Protection Agency
Infrastructure Financial Assistance Section
Drinking Water Loan Priority List in Rank Order
For Fiscal Year 2009

APPLICANT/PROJECT	PROJECT NUMBER	PRIORITY RANK	LOAN AMOUNT REQUESTED	CONSTRUCTION START DATE
Macomb (WTP Rehab Ammonia Feed (MCL THM's))	294700	0001	1,100,000	02/01/2009 E
Macomb (WTP Replace Filters (MCL Turbidity))	300900	0002	2,900,000	10/01/2009 E
Mason City (New Treatment Facility (MCL As))	264700	0003	2,970,000	09/22/2008 A
Grand Ridge (Arsenic Removal (MCL As))	265600	0004	1,272,250	01/01/2009 E
Dixon (Ra Removal Wells 6 & 8 (MCL Ra))	268100	0005	5,000,000	04/01/2009 E
Rossville (Arsenic Removal (MCL As))	293900	0006	684,690	03/15/2009 E
Danvers (Arsenic Removal (MCL As))	291500	0007	400,000	04/01/2009 E
Naplate (WTP Upgrade (MCL Ra))	270400	0008	1,045,000	06/01/2008 E
Dixon (Ra Removal Wells #3,5&10 (MCL Ra))	268300	0009	5,000,000	08/01/2009 E
Waterman (New Well/Arsenic Removal)	287700	0010	970,000	06/01/2009 E
Ohio (Arsenic Removal (MCL As))	268700	0011	1,212,000	10/15/2008 A
McLean (Arsenic Removal (MCL As))	294500	0012	500,000	05/01/2009 E
Ransom (New Wells (MCL Ra))	269700	0013	500,000	03/01/2009 E
Manhattan (Well #6 Upgrade & WTP (MCL Ra))	260300	0014	3,600,000	06/01/2009 E
Lake Zurich (Iron Exchange Well #11 (MCL Ra))	266700	0015	1,850,000	03/01/2009 E
Rockford (Water Supply and Treatment (MCL Ra))	294300	0016	6,900,000	10/01/2008 E
Rockford ((Comp MCL Ra) Trmt U30 43 29 & Misc 024 10 15 18)	299200	0017	9,850,000	10/29/2008 A
Rockford ((Comp MCL Ra) Water Mains Phase A)	259400	0018	8,830,000	10/27/2008 A
Rockford ((Noncompliance) Water Treatment 005)	299500	0019	6,800,000	04/15/2009 E
Marseilles (Radium Removal (MCL Ra))	141200	0020	2,500,000	09/01/2008 E
Union (New Well (MCL Ra))	303500	0021	2,660,000	08/01/2009 E
East Moline (Water Supply Improvements)	283000	0022	3,217,500	08/01/2009 E
Otter Lake Water Commission (Treatment Plant Upgrade (TP Viol.))	257000	0023	6,000,000	12/15/2008 A
Worden (Elevated Storage Tank (TP Viol.))	273300	0024	650,000	07/01/2008 E
Somonauk (Iron Reduction Treatment)	257600	0025	1,500,000	04/01/2009 E
Mason City (New Elevated Storage (TP Viol.))	265600	0026	2,000,000	12/01/2009 E
Mechanicsburg-Buffalo Water Commission (WTP Upgrade)	282100	0027	1,000,000	11/17/2008 A
Mechanicsburg-Buffalo Water Commission (New Storage (TP Viol.))	282200	0028	950,000	09/01/2009 E
Malden (WTP Renovation (TP Viol.))	263200	0029	160,000	08/15/2007 E
Arenzville (New Storage (TP Viol.))	275500	0030	1,074,000	12/01/2008 E

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Hamel (Storage & Dist. Upgrade (TP Viol.))	273400	0031	1,350,000	06/01/2008 E
Ellis Grove (New Storage (TP Viol.))	284700	0032	600,000	04/01/2009 E
Lamelle (WTP Improvements)	298300	0033	400,000	03/01/2009 E
Smithton (Douglas Extension)	292100	0034	810,830	11/25/2008 A
Gilberts (Industrial Area Extension)	245500	0035	4,200,000	03/01/2011 E
Lake Iroquois Association (Rehabilitate Storage)	279000	0036	2,000,000	03/01/2009 E
West Frankfort (I-57 Industrial Pk. Main Replace)	284800	0037	175,000	08/01/2008 E
Piper City (Storage Tank Rehab & Water Main Improvements)	298500	0038	360,000	10/14/2008 A
Groveland Twp. Water District (Water Tank Rehabilitation)	287500	0039	250,000	03/01/2009 E
Fields Hill Improvement Association (Distribution System Upgrade)	276700	0040	286,500	10/01/2009 E
Sublette (Elevated Storage Tank)	269800	0041	618,200	07/01/2009 E
Mauconda (Elevated Tank WTP & Well)	273900	0042	1,500,000	07/01/2008 E
Glen Ellyn (Water Main Extension - Hill Avenue)	289600	0043	1,750,000	05/01/2009 E
Long Creek Township (New Elevated Storage Tank)	266100	0044	1,200,000	09/01/2008 E
Taylorville (New Water Storage Tank)	189700	0045	3,060,000	10/01/2008 E
Durand (New Meters)	279400	0046	350,000	04/01/2009 E
New Haven (Watermain Replacement)	286900	0047	565,000	07/01/2008 E
Beardstown (Main Replacement)	256100	0048	1,500,000	06/01/2008 E
Beardstown (New Storage Tank)	256200	0049	1,900,000	11/12/2008 A
Beardstown (Water Meters)	256300	0050	2,000,000	03/01/2008 E
Volc (Main Extension)	292200	0051	3,000,000	01/01/2009 E
Volc (WTP Expansion)	292300	0052	1,600,000	03/01/2009 E
Fairfield (New WTP)	278300	0053	9,000,000	10/01/2009 E
Maryville (New Storage and Treatment Expansion)	281800	0054	2,800,000	10/01/2008 E
Clinton (8-inch Loop)	216900	0055	900,000	10/01/2008 E
White Hall (Replace Storage)	271300	0056	1,250,000	03/01/2009 E
White Hall (New Main to Storage)	294600	0057	120,000	02/01/2009 E
Decatur (New Storage)	255200	0058	3,300,000	03/01/2009 E
Decatur (New Main)	255300	0059	4,600,000	03/01/2009 E
		0060		

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Mechanicsburg-Buffalo Water Commission (New Water Transmission Main)	305800	0061	694,500	10/01/2008 E
Mechanicsburg-Buffalo Water Commission (New Well #4)	305900	0062	340,000	10/01/2008 E
Hopkinton (Water Storage Rehab)	301900	0063	1,250,000	01/01/2009 E
Bismark Community Water Dist. (WTP Upgrade)	267400	0064	150,000	11/01/2007 E
Bushnell (Watermain Replacement)	300600	0065	1,500,000	04/01/2009 E
East Dundee (WTP Upgrade)	287500	0066	3,300,000	12/01/2009 E
East Dundee (Well, treatment, storage improvements)	288000	0067	1,500,000	12/01/2009 E
Minchester (New WTP & Well)	277100	0068	3,279,000	04/01/2009 E
Liberty-Ledford Water District (Water System Improvements)	209700	0069	300,000	06/01/2008 E
Greenfield (WTP Upgrades)	301800	0070	500,000	03/01/2009 E
Olney (Watermain Replacement)	238800	0071	3,803,000	08/01/2009 E
Long View (WTP Expansion)	294100	0072	500,000	07/01/2008 E
Coal City (New Storage)	285700	0073	1,600,000	11/06/2008 A
Stanton (New WTP)	229800	0074	7,200,000	09/01/2009 E
Lost Lake Utility District (Main Replacement, new well and storage)	283700	0075	1,715,370	10/01/2009 E
Tra-Township Water District (Distribution System Expansion)	297800	0076	3,500,000	07/01/2008 E
Fisher (WTP Expansion)	277700	0077	800,000	07/01/2008 E
Virginia (New WTP & Wells)	250600	0078	13,954,100	07/01/2009 E
Virginia (New Elevated Storage)	250700	0079	1,169,800	07/01/2009 E
Virginia (Extensions)	250800	0080	3,387,500	07/01/2009 E
Wagoner (Watermain Transmission to new supplier)	302200	0081	2,000,000	07/01/2009 E
Sidell (WTP Upgrade & Well)	294200	0082	500,000	09/01/2008 E
Millstadt (Distribution System Upgrade Phase I - Water Tower)	276900	0083	2,200,000	08/01/2009 E
Sullivan (Clear Well & Booster Station)	231300	0084	750,000	12/01/2008 E
West Frankfort (Watermain Replacement along I-37)	300000	0085	325,000	06/01/2009 E
Mascoutah (Main Replacement)	291300	0086	700,000	03/03/2009 E
Monette County Rural Public Water District (Chemical Feed Building)	231700	0087	200,000	07/01/2009 E
Okawville (Waterline Replacement/8" Main)	299600	0088	470,000	05/01/2009 E
Okawville (New Water Tower)	299700	0089	750,000	05/01/2009 E
Ashland (New Source)	273100	0090	250,000	02/15/2009 E

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San Jose (Watermain Replacement)	258800	0091	800,000	12/01/2010 E
Waterloo (New Storage II)	256600	0092	1,000,000	11/01/2009 E
Fithian (New Well & Main)	267300	0093	220,000	09/01/2008 E
Winfield (New Storage)	254400	0094	1,680,000	05/01/2010 E
Chandlerville Village Hall (Replacement WTP)	301700	0095	2,600,000	03/01/2009 E
Rutland (Elevated Storage Rehab)	291600	0096	100,000	06/01/2009 E
Bloomington (Phase III Trans. Main)	269100	0097	5,210,000	11/15/2008 E
Bloomington (Phase III Trans Main Div E)	349900	0098	5,000,000	12/01/2009 E
Thawville (New Ground Storage)	298900	0099	551,400	08/01/2010 E
Thawville (Watermain Replacement and Well Refurbishment)	299000	0100	303,100	08/01/2009 E
Evanston (36 Inch Interconnect Main with Wilmette)	304300	0101	4,715,000	07/01/2009 E
Hitchfield (WTP New Filter System)	304100	0102	2,800,000	03/01/2009 E
Hinckley (Well Rehab and New Well)	303600	0103	3,500,000	08/01/2009 E
Kirkland (Watermain Replacement)	303400	0104	300,000	06/01/2009 E
Bethalto (WTP Upgrade)	281900	0105	3,200,000	07/01/2009 E
Genoa (Upgrade Water Distribution/N.)	179200	0106	454,000	07/01/2008 E
Thomasboro (Water Tower Rehabilitation)	298000	0107	345,800	01/01/2009 E
Centralia (Replacement WTP - Same Site)	300400	0108	20,000,000	01/01/2012 E
Saline Valley Conservancy District (New Well # 8 (Exp. #36))	262100	0109	670,000	03/01/2009 E
Beach Park (Extension)	229900	0110	1,914,555	01/08/2009 E
Commonfields of Cahokia Public Water District (Storage & Distribution Upgrade)	230300	0111	600,000	10/01/2008 E
Jacksonville (Electrical upgrades at Naples wellfield)	304400	0112	400,000	03/15/2010 E
Taylorville (New Transmission Mains)	291400	0113	1,900,000	10/01/2008 E
SLM Water Commission (New Mains)	296300	0114	1,961,294	04/01/2009 E
East Peoria (Oakwood Rd. WTP Modifications)	242700	0115	780,000	09/01/2012 E
Saline Valley Conservancy District (Serve Rosiclare & Elizabethtown Exp #35)	275300	0116	1,830,000	03/01/2011 E
Rockford (Non Compliance) Water Treatment U13)	299300	0117	8,030,000	07/01/2009 E
Worth (Watermain Replacement)	304600	0118	6,000,000	03/01/2009 E
East Peoria (Watermain Connection & Booster Pump)	218800	0119	870,196	11/01/2013 E
Troy (WTP Expansion)	293600	0120	1,200,000	07/01/2009 E

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117-			
East Peoria (SCADA Improvements)	0121	450,000	05/01/2009 E
East Peoria (Bloomington Road Water Main Connection)	0122	700,000	10/01/2010 E
Saline Valley Conservancy District (Watermain Extension (Exp. #33-DOEO))	0123	500,000	03/01/2010 E
Western Springs (Upgrade Water Treatment Plant)	0124	5,000,000	03/01/2009 E
East Peoria (New North Water Tower)	0125	1,500,000	06/01/2014 E
East Peoria (Centennial Dr. Extension)	0126	1,535,000	02/01/2010 E
Itasca (Main Replacement/Watermain Circle)	0127	3,000,000	05/01/2009 E
Shorewood (Transmission line & Storage)	0128	23,576,000	03/01/2009 E
South Elgin (New WTP and transmission main)	0129	5,075,000	09/01/2009 E
Sycamore (New Well #10)	0130	1,650,000	05/01/2009 E

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